

ASX: ANX

30 OCTOBER 2020

QUARTERLY ACTIVITIES REPORT

- **On 21 July 2020, Anax Metals Limited (“Anax”) (formerly called Aurora Minerals Limited) executed an Earn-in and Joint Venture Agreement with VentureX Resources Limited to secure up to 80% of the Whim Creek Copper-Zinc-Lead Project, located in the Pilbara Region of Western Australia ^{A1}**
- **Capital Raising completed post quarter-end to raise \$2.0 million ^{A3}**
- **Name change to Anax Metals Limited and 9 for 10 consolidation approved at a General Meeting of Shareholders post quarter-end on 2 October 2020 and subsequently completed**
- **Anax to imminently relist on the ASX ^{A2}**
- **Package of Pilbara tenements with highly prospective brownfields and greenfields exploration potential ^{A1}**
- **The Loudens Patch gold exploration tenement (E47/4281), located in the Pilbara, between De Grey’s Mallina Gold Project and the Whim Creek Project, was granted on 25th August 2020, extending Anax’s gold discovery potential in this highly prospective region ^{A4}**

This has been a transformational quarter for Anax Metals Limited (ASX: ANX) (“Anax” or “the Company”, formerly called Aurora Minerals Limited) with the achievement of a number of milestones, as highlighted above. The name change to Anax Metals Limited (“Anax” meaning *Leader* in Ancient Greek) was timed to mark this transformation from a purely exploration company to one that leads the way in both exploration and development, with the application of innovative technology. ^{A2}

The Earn-in and Joint Venture Agreement with VentureX Resources Limited (“VentureX”) is the culmination of a lengthy due diligence process by Anax, which informed the Company regarding the history, environment, heritage, legal and operations of the Whim Creek Project. It enables Anax to take this previously stranded project forward to development, with the application of ore sorting technology.

A1, A3, A5

Anax has completed a capital raising and secured AUD2.0 million. This will provide further working capital, primarily to fund a Feasibility Study for the Whim Creek Project, commencing immediately and due for completion in early Q4 FY2021, as well as regional exploration and associated activities. ^{A3} Diamond drilling is currently underway to obtain metallurgical samples from the Mons Cupri Resource zone and sorting test work has commenced, initially using historical core.

The Company looks forward to providing further updates as it rapidly advances its activities.

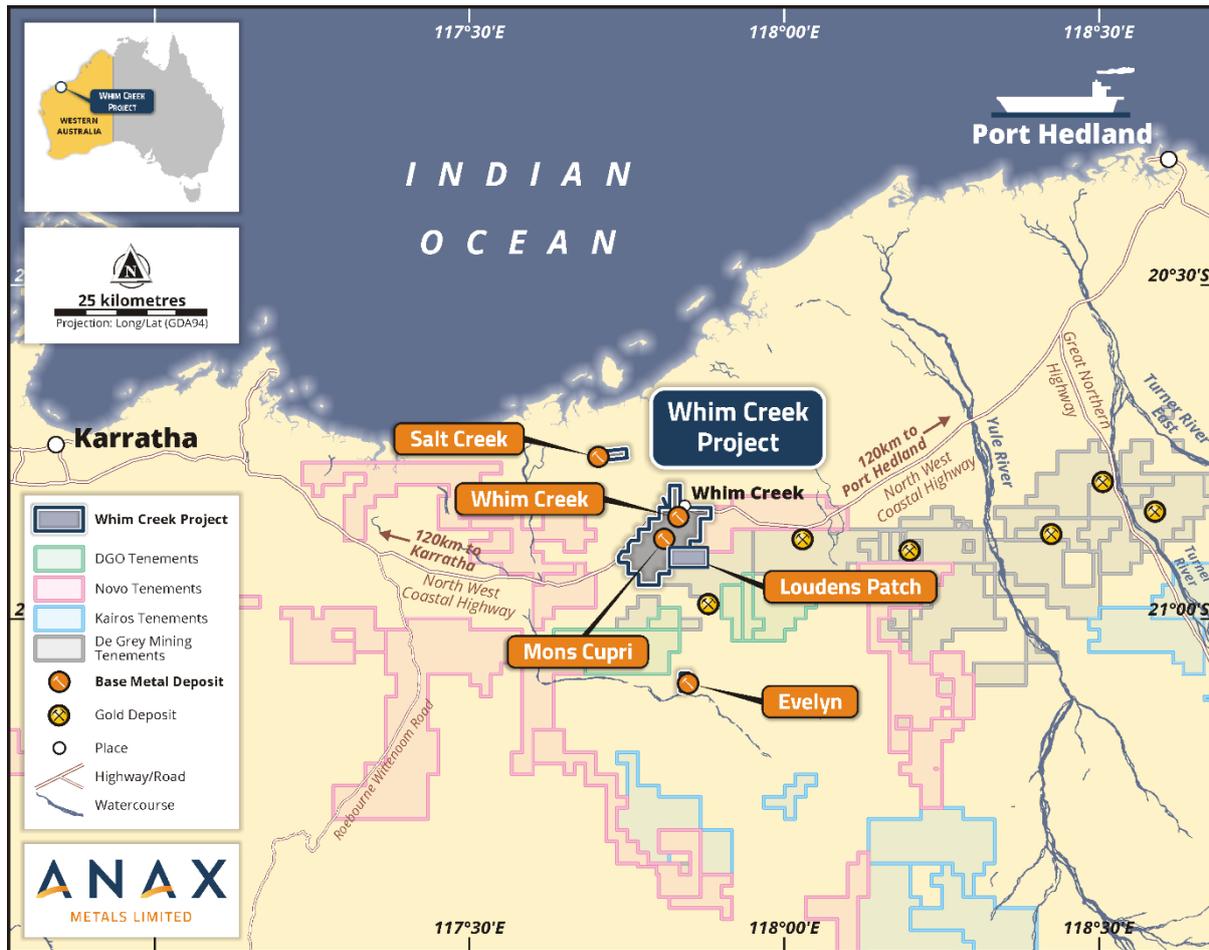


Figure 1: Whim Creek Project Location in the Pilbara region of Western Australia

Whim Creek – Anax’s New Flagship Project

Project highlights:

- ▲ Four copper-zinc deposits with lead, silver and gold credits
- ▲ Located in the Pilbara, a prolific mining region of Western Australia
- ▲ Defined JORC (2012) Resource estimates to enable rapid advance to production
- ▲ Mining leases in good standing
- ▲ Near surface, open-pittable ore bodies
- ▲ VHMS style mineralisation amenable to the preconcentration process
- ▲ Established heap leach and solvent extraction electrowinning (SX-EW) infrastructure
- ▲ Low development capital requirements – established haul roads, gas pipeline for power generation, accommodation and situated on a main road for access to port and/or processing facilities.

Open pit mining of copper oxide minerals was carried out at the Whim Creek and Mons Cupri deposits by Straits Resources from 2004 until 2009, when declining prices coincided with oxide ore being mined out. Since then the two mines have been on care and maintenance, save for intermittent ongoing copper extraction from the oxide heap leach and SX-EW processing plant, until late 2019.

There are four known, volcanic hosted, massive sulphide (VHMS) ore deposits at Whim Creek, located within a 25km radius, namely Mons Cupri, Salt Creek, Whim Creek and Evelyn. The Mons Cupri sulphide ore sits below and offset from the historically mined oxide in the Mons Cupri Pit. Salt Creek has not been historically mined, having no significant outcrop, and little to no oxide material. JORC (2012) Resources and/or Reserves have been defined for these two deposits, summarised as follows:

Table 1: Mons Cupri and Salt Creek Mineral Resource estimates as at 23 March 2018^{A3}

Prospect	Category	Tonnes	Cu	Zn	Pb	Ag	Au
		(kt)	(%)	(%)	(%)	(g/t)	(g/t)
Mons Cupri	Measured	1,070	1.51	1.65	0.69	38	0.28
Mons Cupri	Indicated	3,500	0.8	0.8	0.3	17	0.09
Mons Cupri	Inferred	500	0.5	1.5	0.6	14	0.03
Mons Cupri	Total	5,100	0.89	1.03	0.4	21	0.12
Salt Creek	Indicated	1,017	1.2	3.3	0.9	20	0.2
Salt Creek	Inferred	839	0.7	5.3	1.5	42	0.2
Salt Creek	Total	1,856	1	4.2	1.2	30	0.2
GRAND TOTAL		6,926	0.9	1.9	0.6	23	0.1

Note: Reported at a cut-off grade of greater than or equal to 0.4% Cu and then greater than or equal to 2% Zn, but less than 0.4% Cu. Appropriate rounding has been applied.

The Whim Creek deposit, the namesake of the Project, was historically mined for oxide ore via an open pit, down dip of which there is sulphide ore that remains unexploited. The Evelyn deposit shows evidence of old underground oxide workings but no modern exploitation. VentureX had previously defined JORC (2004) resource estimates for these two deposits in 2010, revised to Exploration Targets in Anax's recent Prospectus.^{A3} Anax plans further drilling to upgrade these deposits to JORC (2012) compliant resource estimates in due course.

Environmental Legacy

The due diligence process highlighted the environmental legacy remaining from previous heap leach processing practices which necessitates immediate remediation.^{A1, A3, A5}

Of primary concern are the ponds associated with the Heap Leach Facility near which groundwater contamination has been detected. The Western Australian Government Department of Water and Environmental Regulation (DWER) has issued an Environmental Protection Notice (EPN) for the site and Management Plans have been drafted and/or approved for immediate implementation.^{A1, A3, A5}

Upon relisting, Anax will continue to implement these plans, following on from the work started by VentureX, with the intention of satisfying the requirements of the EPN to enable licencing of the heap leach infrastructure for reuse once mining is underway. Further details are set out in the Prospectus.

Feasibility Study

Anax will immediately commence working on a feasibility study, with completion anticipated within six months. The key study activities include: ^{A4}

- ▲ Diamond drilling to acquire ore material for ore sorting testwork, metallurgical studies and resource classification
- ▲ Ore sorting test work to quantify ore upgrade to preconcentrates
- ▲ Metallurgical test work including flotation, comminution, rheology and heap leaching
- ▲ Engineering studies including mining, processing, infrastructure
- ▲ Environmental studies and
- ▲ Offtake and remote processing investigations

This work is intended to culminate in the rapid development of the project to production. ^{A3}

Exploration

As well as defined Resources, the Whim Creek tenure secures significant exploration prospectivity. The known VHMS mineralisation is confined to the Bookingarra Suite of volcanic units and metasediments which outcrop extensively within the Whim Creek Basin. VHMS deposits are often structurally controlled and this applies in the case of the Whim Creek deposits. Significant exploration work has already been done by historical and recent explorers to pinpoint potential for mineralisation both near-mine and further afield. The following map, Figure 2, highlights prospective geology and intersecting structures within the Whim Creek tenure to be targeted for further exploration. ^{A3, A5}

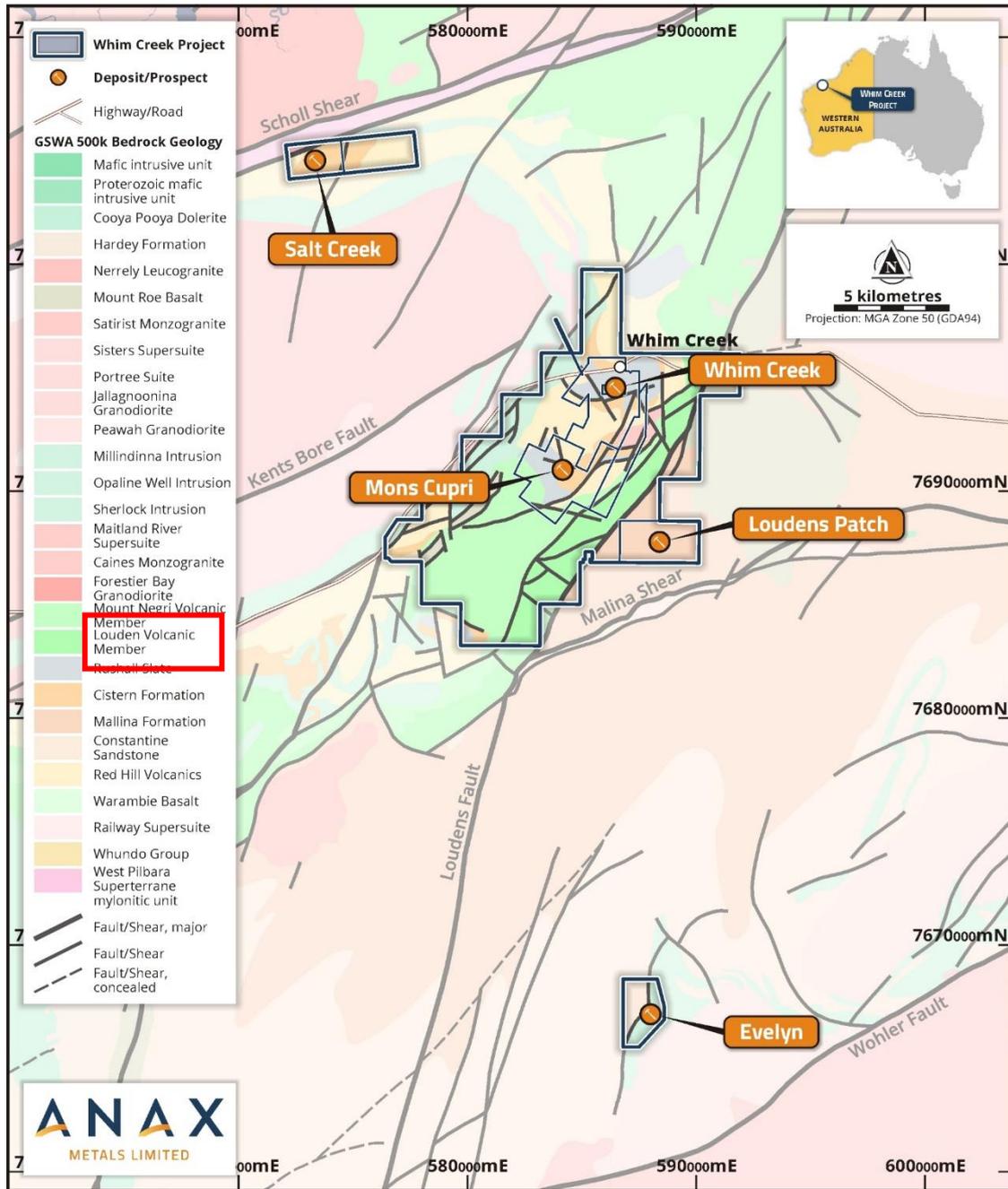


Figure 2: Whim Creek Regional Geology and Major Structures (source Geological Survey of Western Australia, 2020) ^{A3, A5}

Gold Exploration at Whim Creek

While copper has been the historical focus of the Whim Creek area, Archean granite-greenstone geology is commonly gold exploration terrane. Available ground for mineral exploration in the Pilbara is scarce due to the success of gold explorers on neighbouring tenure, including De Grey Resources (ASX: DEG) at Mallina, Kairos Minerals (ASX: KAI) at Skywell and Novo Resources' Karratha and Pilbara Projects (see Figure 1), to name a few.

The Whim Creek Project itself secures 13km strike of the north-east trending Loudens Fault as well as parallel and crosscutting structures in Archean Greenstones. Figure 2, above, illustrates major geological structures in relation to the Whim Creek Greenstone belt and project tenure. Gold anomalism is noted in historical drilling and soil sampling in the vicinity of these structures. Additionally, the north-western boundary of the Whim Creek tenure is the faulted contact between Archean granites and greenstones over a 16km strike, with limited exploration on record.

The gold potential of the Salt Creek tenure, located along the regional Scholl Shear, awaits investigation and the Evelyn tenure, 25km to the south of Whim Creek, secures a portion of the gold- prospective Croydon Anticline in the Mallina Basin with similar geology to Loudens Patch.

Other Anax Exploration Tenure

The granting of the **Loudens Patch** tenement (E47/4281), located between the Whim Creek Project and De Grey's Mallina Project (See Figure 1), has been keenly anticipated as it increases the exploration footprint that Anax now holds in the highly prospective Pilbara gold region. The tenement secures part of a sub-basin of the regional Mallina Basin, bounded by the gold-mineralised Loudens Fault and Mallina Shear. Strongly folded and overturned Archean metasediments provide ideal traps for gold deposition. De Grey had previously dropped this ground following routine soil sampling. Anax recognised the potential for structurally controlled and/or conglomerate gold at Loudens Patch and exploration programmes have been designed to investigate the gold potential further once a heritage agreement is in place.^{A3, A7}

Mount Short (E74/651), granted in December 2019, has been investigated by previous explorers, in particular Trakka Resources, who identified the VHMS potential. The ground was surrendered when that company's VHMS exploration proved inconclusive. Most historical explorers have focused on ultramafic units for their nickel massive sulphide potential, as confirmed by the location of historical drill holes. Anax has compiled publicly available geological and geophysical data, along with historical exploration records to guide exploration for both gold and VHMS mineralisation in this granite-greenstone terrane.

This work has pinpointed overlapping geophysical targets at the centre of the tenement where detailed gravity and ground penetrating radar geophysics surveys will commence following the annual harvest and once local landowners have been informed.^{A7}

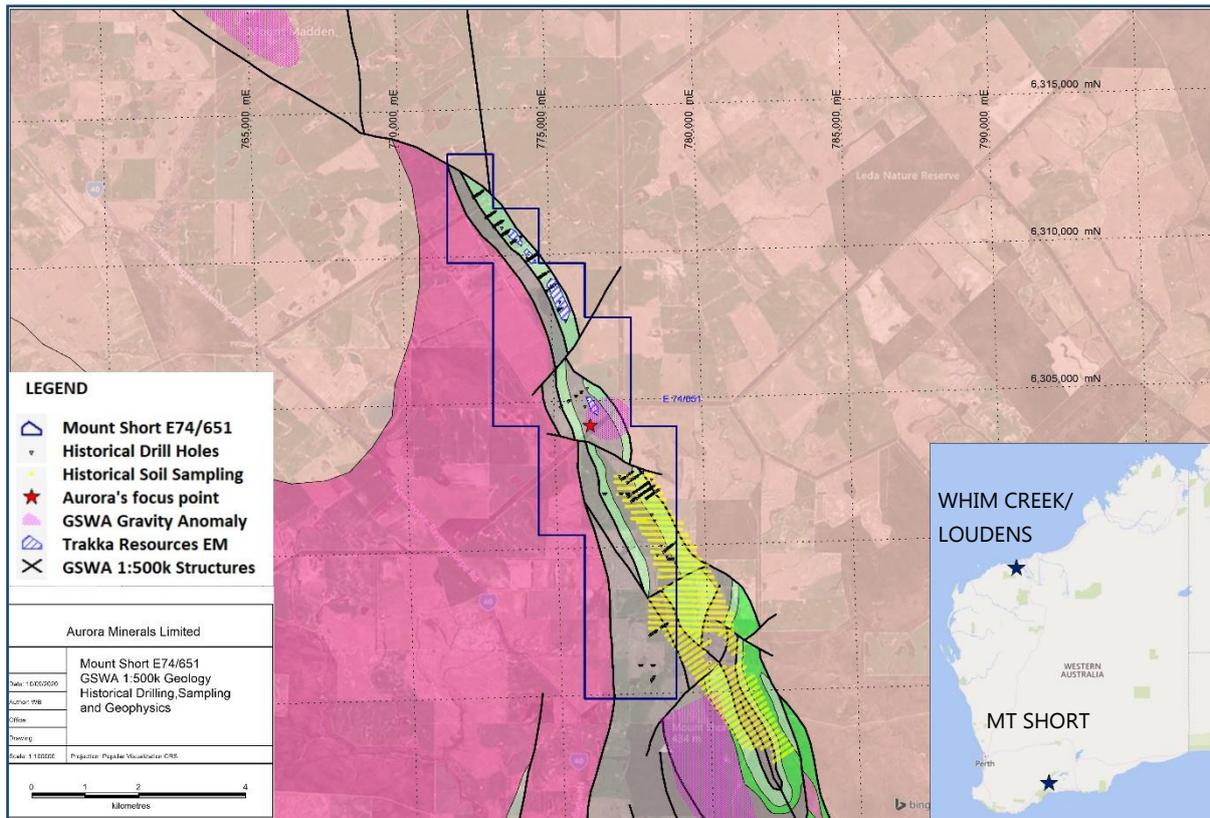


Figure 3: Mount Short tenement E74/651, GSWA Geology, historical drilling and soil sampling. The red star marks the intersection of multiple geophysical anomalies, where Anax will focus exploration ^{A4}

Advanced Project Procurement Plan

Anax continues to pursue advanced projects, suited to the application of ore sorting technology, for procurement and development.

Investment Assets

Anax has played a key role in its diversified portfolio of exploration interests over time, through **Xantippe Resources Limited**, and **Predictive Discovery Limited** and continues to retain a small interest in each company.

Xantippe Resources Limited - Anax 4.3%

Its consolidated exploration package, located near Southern Cross, Western Australia, provides Xantippe with the opportunity to apply modern exploration methods to investigate this prolific historical gold-producing Archean greenstone belt.

Xantippe has recently completed 24 RC drill holes with 6 holes yet to be drilled, to follow up historical gold drill intercepts including **3m @ 14.8g/t Au** from 94m at **Boodarding** and **20m @ 1.59g/t Au** from 58m at **Alpine Roma**. ^{X1, X2}

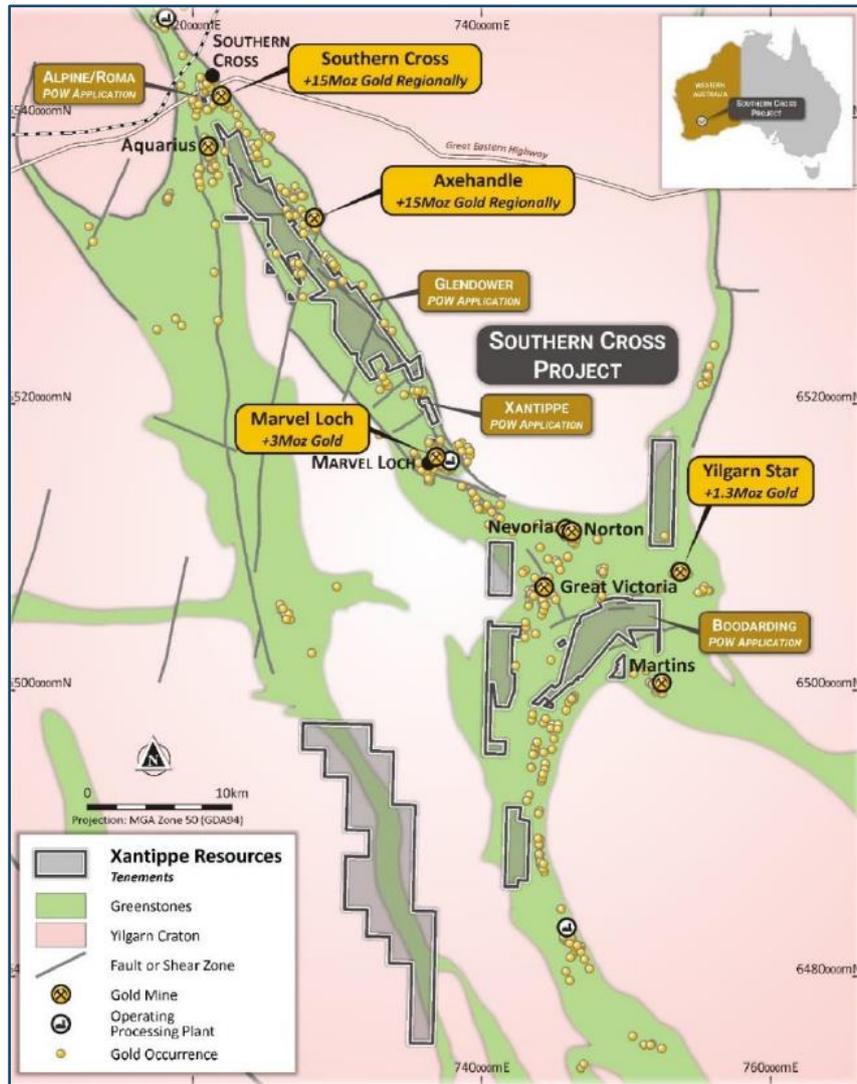


Figure 4: Xantippe Resources gold tenure in the Yilgarn Goldfields of Western Australia ^{x1}

Predictive Discovery Limited – Anax 3.3%

Predictive Discovery Limited (“Predictive”) holds prime gold exploration tenure in the West African Golden Triangle. Predictive’s holdings in Cote D’Ivoire and Burkina Faso are under joint venture, operated by a number of experienced and respected companies, including Resolute Mining Limited and TSE listed Progress Minerals Inc., while Predictive is successfully advancing new ground in Guinea through grass roots exploration. See Figure 5 below.

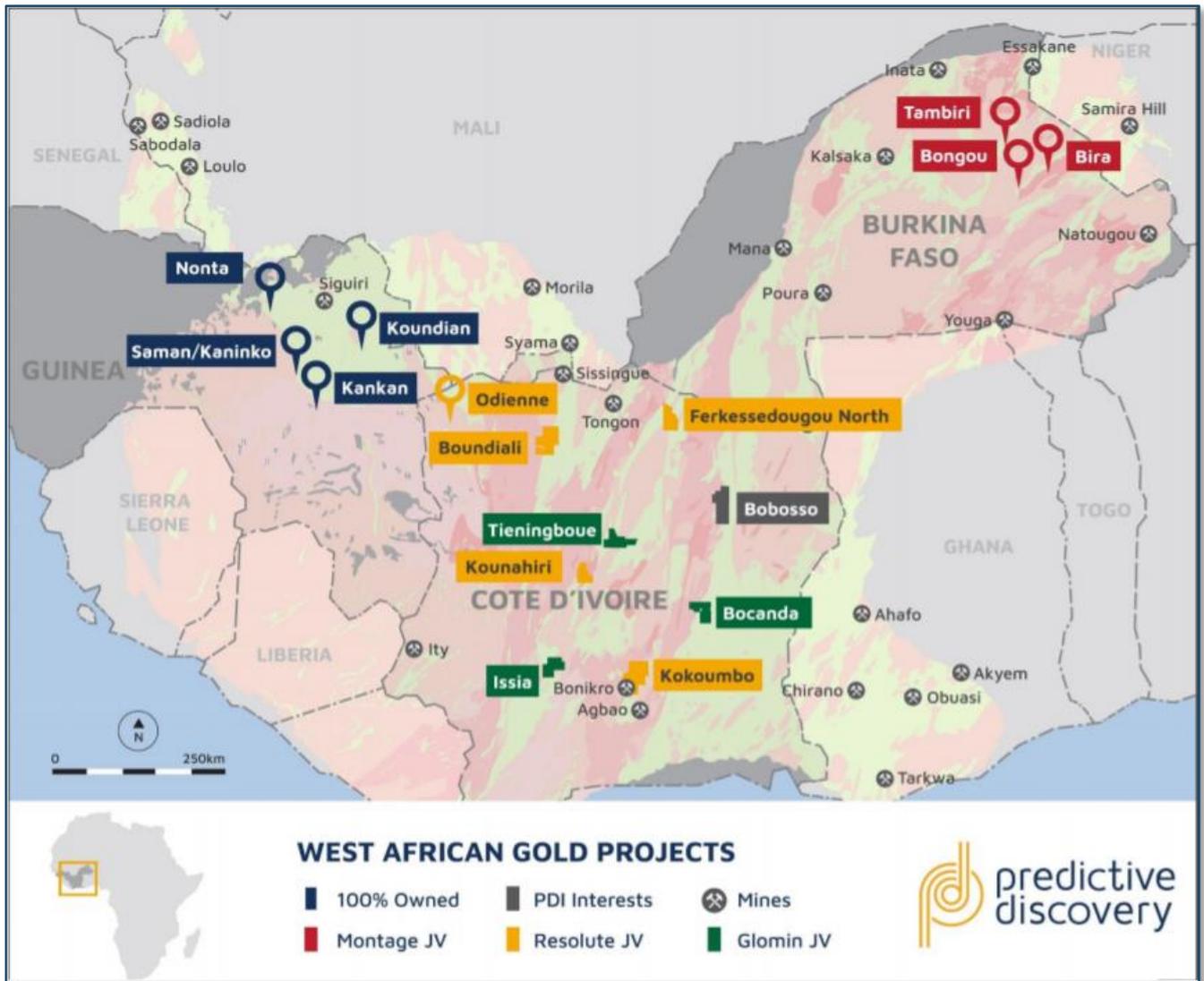


Figure 5: Predictive Discovery's Project Locations in West Africa ^{P1}

Predictive, having secured 861km² across 10 granted permits within the underexplored Siguiri Basin, Guinea, has achieved exceptional exploration success at the Kaninko Permit where thick, continuous gold mineralisation at NE Bankan has been intersected in AC, RC and diamond drilling to a vertical depth of at least 240m (open), along a continuous auger gold trend of 1.6km. Further drilling was underway post quarter-end. ^{P2}

Corporate

During the quarter the Company progressed its restructure, which included:

- On 3 September 2020, the lodgement of a Notice of Meeting with the ASX which sought shareholder approval for, amongst other things:
 - ▲ A consolidation of securities
 - ▲ Change in nature and scale of activities
 - ▲ Approval to issue public offer shares
 - ▲ Change of company name
- On 18 September 2020 the Company lodged a Prospectus with ASIC for an offer of 66,666,667 Shares at an issue price of \$0.03 each to raise minimum of \$2,000,000 (before costs).

The Company is completing the final matters in respect of its re-compliance and re-listing on the ASX and anticipates to relist in early November 2020.

Anax has maintained a 3.3% equity interest in Predictive Discovery, and a 4.3% equity interest in Xantippe Resources.

Anax's corporate investments and market valuations, as at 30 September 2020 (closing prices), are summarised below in Table 2.

Table 2: Anax Metals Group Investments as at 30 September 2020

<i>Investment</i>	<i>Code</i>	<i>Type</i>	<i>Number</i>	<i>% Holding</i>	<i>Unit Value</i>	<i>Total Value</i>
<i>Predictive Discovery Ltd</i>	PDI	Shares - Listed	27,217,125	3.3%	\$0.065	\$1,769,113
<i>Xantippe Resources Ltd</i>	XTC	Shares - Listed	171,295,270	4.3%	\$0.003	\$513,885
						\$2,282,998

Anax's cash at bank at 30 September 2020 was AUD2.41 million. Value of cash and investments as at 30 September 2020 was ~AUD4.69 million (~2.2c/share).

Cash outflows for the September Quarter totalled \$715,000 across exploration activity (22%), corporate administration (38%), and costs associated with the Whim Creek acquisition (39%). Payments to related parties and their associates (as set out in section 6 of the Appendix 5B) totalled \$84,000, consisting of Executive and Non-executive Directors fees, salaries and superannuation payments. Cash inflows for the September Quarter were nil.

This announcement is authorised for release by Geoff Laing, Managing Director.

For further details please contact:
info@anaxmetals.com.au

-ENDS-

References

List of Announcements to the Australian Securities Exchange which are referenced in this report:

Anax Metals Limited

- A1 Aurora Minerals Limited to acquire up to 80% interest in Whim Creek Copper-Zinc Project from VentureX Resources Limited, 21 July 2020
- A2 Results of General Meeting, 2 October 2020
- A3 Re-compliance Prospectus, 18 September 2020
- A4 Aurora Minerals Limited Annual Report 2020, 16 September 2020
- A5 Notice of General Meeting, 3 September 2020
- A6 Quarterly Activities Report to 30 June 2020, 31 July 2020
- A7 Mount Short Project Progress, 6 April 2020

Xantippe Resources Limited

- X1 Xantippe Resources Limited Annual Report for the year ended 30 June 2020, 1 September 2020
- X2 Drilling Underway at Southern Cross Gold Project, 25 August 2020

Predictive Discovery Limited

- P1 Annual Report to Shareholders, 16 October 2020
- P2 Exploration Update – Bankan-2 Gold Drilling Underway, 20 October 2020

Competent Persons Statement

The information in this report that relates to the exploration results and JORC (2012) Mineral Resource estimates for the Whim Creek Project is set out in the Company's re-compliance prospectus dated 18 September 2020. The Company confirms that it is not aware of any new information or data that materially affects the information included in the Prospectus, and in the case of the Mineral Resource estimates, that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed.

The information in this report that relates to the exploration results of Xantippe and Predictive is summarised from publicly available reports of the respective companies as released to the ASX. The results are duly referenced in the text of this report and the source documents listed above.

Appendix

In accordance with Listing Rule 5.3.3. Anax provides the following information in relation to its mining tenements.

1. The mining tenements held at the end of the quarter and their location:

Project	Tenement Number	Status	Location	Beneficial Percentage Interest
Mount Short	E74/651	Live	Phillips River Mineral Field	100%
Loudens Patch	E47/4281	Live	Pilbara	100%

2. Mining tenements acquired during the quarter and their location:

Project	Tenement Number	Status	Location	Beneficial Percentage Interest
Loudens Patch	E47/4281	Live	Pilbara	100%

3. Mining tenements disposed of during the quarter and their location:

N/A

Appendix 5B

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Name of entity

ANAX METALS LIMITED

ABN

46 106 304 787

Quarter ended ("current quarter")

30 Sept 2020

Consolidated statement of cash flows	Current quarter \$A'000	Year to date (3 months) \$A'000
1. Cash flows from operating activities		
1.1 Receipts from customers		
1.2 Payments for		
(a) exploration & evaluation (if expensed)*	(160)	(160)
(b) development	-	-
(c) production	-	-
(d) staff costs	-	-
(e) administration and corporate costs*	(272)	(272)
1.3 Dividends received (see note 3)	-	-
1.4 Interest received	-	-
1.5 Interest and other costs of finance paid	-	-
1.6 Income taxes paid	-	-
1.7 Government grants and tax incentives	-	-
1.8 Other (provide details if material)	(283)	(283)
1.9 Net cash from / (used in) operating activities	(715)	(715)

* The company's accounting policy allocates staff costs to activities and are accordingly included in items 1.2 (a) and 1.2 (e). This represents expenditure on evaluation of potential project acquisitions.
1.8 consists of \$324k cost for the Whim Creek project acquisition (being \$159k Due Diligence and legal; \$165K deposit to Venturex) partially offset by \$41k BAS Refund.

2. Cash flows from investing activities		
2.1 Payments to acquire:		
(a) entities	-	-
(b) tenements	-	-
(c) property, plant and equipment	-	-
(d) exploration & evaluation (if capitalised)	-	-
(e) investments	-	-
(f) other non-current assets	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
2.2	Proceeds from the disposal of:	-	-
	(a) entities	-	-
	(b) tenements	-	-
	(c) property, plant and equipment	-	-
	(d) investments	-	-
	(e) other non-current assets	-	-
2.3	Cash flows from loans to other entities	-	-
2.4	Dividends received (see note 3)	-	-
2.5	Other (provide details if material)	-	-
2.6	Net cash from / (used in) investing activities	-	-
3.	Cash flows from financing activities	-	-
3.1	Proceeds from issues of equity securities (excluding convertible debt securities)	-	-
3.2	Proceeds from issue of convertible debt securities	-	-
3.3	Proceeds from exercise of options	-	-
3.4	Transaction costs related to issues of equity securities or convertible debt securities	-	-
3.5	Proceeds from borrowings	-	-
3.6	Repayment of borrowings	-	-
3.7	Transaction costs related to loans and borrowings	-	-
3.8	Dividends paid	-	-
3.9	Other (provide details if material)	-	-
3.10	Net cash from / (used in) financing activities	-	-
4.	Net increase / (decrease) in cash and cash equivalents for the period		
4.1	Cash and cash equivalents at beginning of period	3,127	3,127
4.2	Net cash from / (used in) operating activities (item 1.9 above)	(715)	(715)
4.3	Net cash from / (used in) investing activities (item 2.6 above)	-	-
4.4	Net cash from / (used in) financing activities (item 3.10 above)	-	-

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

Consolidated statement of cash flows		Current quarter \$A'000	Year to date (3 months) \$A'000
4.5	Effect of movement in exchange rates on cash held		
4.6	Cash and cash equivalents at end of period	2,412	2,412

5.	Reconciliation of cash and cash equivalents at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts	Current quarter \$A'000	Previous quarter \$A'000
5.1	Bank balances	1,253	1,253
5.2	Call deposits	1,159	1,159
5.3	Bank overdrafts	-	-
5.4	Other (provide details)	-	-
5.5	Cash and cash equivalents at end of quarter (should equal item 4.6 above)	2,412	2,412

6. Payments to related parties of the entity and their associates

- 6.1 Aggregate amount of payments to related parties and their associates included in item 1
- 6.2 Aggregate amount of payments to related parties and their associates included in item 2

Current quarter \$A'000
84
-

Note: if any amounts are shown in items 6.1 or 6.2, your quarterly activity report must include a description of, and an explanation for, such payments

- 6.1 Payment was for remuneration directors

Mining exploration entity or oil and gas exploration entity quarterly cash flow report

7. Financing facilities	Total facility amount at quarter end \$A'000	Amount drawn at quarter end \$A'000
<i>Note: the term "facility" includes all forms of financing arrangements available to the entity. Add notes as necessary for an understanding of the sources of finance available to the entity.</i>		
7.1 Loan facilities	-	-
7.2 Credit standby arrangements	-	-
7.3 Other (please specify)	-	-
7.4 Total financing facilities	-	-
7.5 Unused financing facilities available at quarter end		-
7.6 Include in the box below a description of each facility above, including the lender, interest rate, maturity date and whether it is secured or unsecured. If any additional financing facilities have been entered into or are proposed to be entered into after quarter end, include a note providing details of those facilities as well.		

8. Estimated cash available for future operating activities	\$A'000
8.1 Net cash from / (used in) operating activities (Item 1.9)	715
8.2 Capitalised exploration & evaluation (Item 2.1(d))	-
8.3 Total relevant outgoings (Item 8.1 + Item 8.2)	715
8.4 Cash and cash equivalents at quarter end (Item 4.6)	2,412
8.5 Unused finance facilities available at quarter end (Item 7.5)	-
8.6 Total available funding (Item 8.4 + Item 8.5)	2,412
8.7 Estimated quarters of funding available (Item 8.6 divided by Item 8.3)	3.4
8.8 If Item 8.7 is less than 2 quarters, please provide answers to the following questions:	
1. Does the entity expect that it will continue to have the current level of net operating cash flows for the time being and, if not, why not?	
Answer: N/A	
2. Has the entity taken any steps, or does it propose to take any steps, to raise further cash to fund its operations and, if so, what are those steps and how likely does it believe that they will be successful?	
Answer: N/A	
3. Does the entity expect to be able to continue its operations and to meet its business objectives and, if so, on what basis?	
Answer: N/A	

Compliance statement

- 1 This statement has been prepared in accordance with accounting standards and policies which comply with Listing Rule 19.11A.
- 2 This statement gives a true and fair view of the matters disclosed.

30 October 2020

Date:

By the Board

Authorised by:
 (Name of body or officer authorising release – see note 4)

Notes

1. This quarterly cash flow report and the accompanying activity report provide a basis for informing the market about the entity's activities for the past quarter, how they have been financed and the effect this has had on its cash position. An entity that wishes to disclose additional information over and above the minimum required under the Listing Rules is encouraged to do so.
2. If this quarterly cash flow report has been prepared in accordance with Australian Accounting Standards, the definitions in, and provisions of, *AASB 6: Exploration for and Evaluation of Mineral Resources* and *AASB 107: Statement of Cash Flows* apply to this report. If this quarterly cash flow report has been prepared in accordance with other accounting standards agreed by ASX pursuant to Listing Rule 19.11A, the corresponding equivalent standards apply to this report.
3. Dividends received may be classified either as cash flows from operating activities or cash flows from investing activities, depending on the accounting policy of the entity.
4. If this report has been authorised for release to the market by your board of directors, you can insert here: "By the board". If it has been authorised for release to the market by a committee of your board of directors, you can insert here: "By the [name of board committee – eg *Audit and Risk Committee*]". If it has been authorised for release to the market by a disclosure committee, you can insert here: "By the Disclosure Committee".
5. If this report has been authorised for release to the market by your board of directors and you wish to hold yourself out as complying with recommendation 4.2 of the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*, the board should have received a declaration from its CEO and CFO that, in their opinion, the financial records of the entity have been properly maintained, that this report complies with the appropriate accounting standards and gives a true and fair view of the cash flows of the entity, and that their opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.